

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF AMERICAN LAND LEASE
ADOPTED AS OF FEBRUARY 5, 2004**

I. PURPOSE OF THE COMMITTEE

The Committee's purposes shall be to oversee the Corporation's compensation practices, including its executive compensation plans and its incentive-compensation and equity-based plans; and to direct the preparation of, and approve, a Committee report on executive compensation as required by the Securities and Exchange Commission ("SEC") to be included in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors as determined from time to time by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange (the "NYSE"), and any additional requirements that the Board deems appropriate. Members of the Committee shall also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

The chairman of the Committee shall be elected by the Board.

Any vacancy on the Committee shall be filled by action of the Board. No member of the Committee shall be removed except by action of the Board.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than two times annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any

power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

A. *Executive Compensation*

The Committee shall have the following duties and responsibilities with respect to the Corporation's executive compensation plans:

(a) To review at least annually the goals and objectives of the Corporation's executive compensation plans or recommend that the Board review, these goals and objectives if the Committee deems it appropriate.

(b) To review at least annually the Corporation's executive compensation plans in light of the Corporation's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, or recommend to the Board the amendment of existing executive compensation plans.

(c) To evaluate annually the performance of the Chief Executive Officer in light of the goals and objectives of the Corporation's executive compensation plans, and as a Committee determine and approve the Chief Executive Officer's compensation based on this evaluation. In determining the Chief Executive Officer's compensation, the Committee shall consider all relevant factors, including the Corporation's performance and relative stockholder return, the compensation of chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Corporation in past years.

(d) To evaluate annually the performance of the other executive officers of the Corporation in light of the goals and objectives of the Corporation's executive compensation plans, and make recommendations to the Chief Executive Officer with respect to the compensation of such other executive officers. To the extent that long-term incentive compensation is a component of such executive officer's compensation, the Committee may consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer.

(e) To review annually the appropriate level of compensation for Board and Committee service by non-employee members of the Board and present recommendations to the Board for approval.

(f) To review any severance or termination arrangements to be made with the Chief Executive Officer and to advise the Chief Executive Officer with respect to any severance or termination arrangements with any executive officer of the Corporation.

(g) To review and approve any perquisites or other personal benefits to the Corporation's Executive Officer and to advise the Chief Executive Officer as to any perquisites or other personal benefits regarding any officer of the Corporation.

(h) To perform such duties and responsibilities as may be assigned to the Committee under the terms of any executive compensation plan.

(i) To produce a Committee report on executive compensation as required by the SEC to be included in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC.

(j) The Committee may discuss with the Board any subject including the Chief Executive Officer's compensation.

B. General Compensation and Employee Benefit Plans

The Committee shall have the following duties and responsibilities with respect to the Corporation's general compensation and employee benefit plans, including incentive-compensation and equity-based plans:

(a) To review at least annually the goals and objectives of the Corporation's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, and recommend that the Board review these goals and objectives if the Committee deems it appropriate.

(b) To review at least annually the Corporation's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and recommend that the Board review these plans if the Committee deems it appropriate.

(c) To review all equity-compensation plans to be submitted for stockholder approval under the NYSE listing standards and also all equity-compensation plans that are exempt from such stockholder approval requirement.

(d) To perform such duties and responsibilities as may be assigned to the Committee under the terms of any compensation or other employee benefit plan, including any incentive-compensation or equity-based plan.

V. EVALUATION OF THE COMMITTEE

The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it

deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures.

VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Corporation's expense, such independent counsel or other consultants or advisers as it deems necessary. The Committee shall have the sole authority to retain or terminate any compensation consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other retention terms, such fees to be borne by the Corporation.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.